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WORKING WOMEN AND THE AMERICAN ECONOMY.

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AMERICAN WOMEN HAVE MADE A LARGE AND GROWING CONTRIBUTION TO FAMILY INCOME PROGRESS SINCE 1940. THE NUMBER OF WOMEN IN THE WORKING FORCE HAS DOUBLED. THIS INCREASE REFLECTS THE DRAMATIC CHANGE IN WOMEN'S WORK-LIFE PATTERNS. THERE HAS BEEN A MARKED INCREASE IN THE EMPLOYMENT OF WOMEN OVER 35. THE WOMAN MOST LIKELY TO BE A WAGE EARNER IN 1967 WAS 45-54 YEARS OLD, AND OF THOSE IN THAT AGE GROUP WITH 5 YEARS OR MORE HIGHER EDUCATION, OVER 80 PERCENT WERE IN THE WORK FORCE. THIS MAJORITY OF MATURE WORKING WOMEN REFLECTS THE NEW REALITIES IN WOMEN'S LIVES. WOMEN MARRY YOUNGER, HALF BY 21 YEARS OF AGE, AND THEY BEAR CHILDREN YOUNGER. HALF HAVE THEIR LAST CHILD BY THE TIME THEY ARE 30. LIGHTENED HOUSEHOLD TASKS HAVE PROVIDED MORE TIME. EXPANDED EDUCATIONAL OPPORTUNITIES HAVE CONTRIBUTED NEW SKILLS AND INTERESTS. THE RAPIDLY EXPANDING ECONOMY HAS PROVIDED THE JOBS, AND WOMEN HAVE SOUGHT THEM BECAUSE THEY NEEDED THE MONEY. IN 1966, 16 MILLION WIVES WERE IN THE LABOR FORCE. OF ALL HUSBAND-WIFE FAMILIES WITH WORKING WIVES, ONLY 6 PERCENT LIVED IN POVERTY, 28 PERCENT WERE IN THE $3,000-$7,000 INCOME BRACKET, AND 56 PERCENT HAD INCOMES OF $7,000-$15,000. WIVES' WAGES BOOSTED THE FAMILY INCOME LEVEL ALTHOUGH ONLY A SMALL PROPORTION WERE HIGH. IN 1965, 4.5 PERCENT OF THE WIVES EARNED $7,000 A YEAR OR MORE, A 76 PERCENT INCREASE OVER 1964. WOMEN'S WAGE AND SALARY EARNINGS IN 1966 WERE ESTIMATED TO BE $90 BILLION, WHICH IS ABOUT 23 PERCENT OF THE NATION'S TOTAL. THE INCREASING DEMAND FOR TECHNICAL AND PROFESSIONAL PERSONNEL WILL PROVIDE OPPORTUNITIES FOR WELL-TRAINED WOMEN IN HIGHER LEVEL AND BETTER PAYING JOBS. NEW LEGISLATION WHICH IS COUNTERACTING DISADVANTAGE WILL ADD TO WOMEN'S RELATIVE WORK-ROLE POSITION. THIS SPEECH WAS GIVEN BEFORE THE D-A-Y WORKSHOP ON THE HOMEMAKER WHO EARNS, NEW YORK CITY, JANUARY 31, 1967. (FP)

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WORKING WOMEN AND THE AMERICAN ECONOMY

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American living standards have risen at an unprecedented rate in the past quarter-century. The average family is about twice as well off today as it was in 1940 in terms of the actual goods and services it can purchase.

All sectors of our society have participated in this impressive economic advance. Particularly heartening has been our progress in reducing the number of those experiencing the hardships of poverty. If we take as a very approximate definition of poverty a family money income of less than $3,000 a year, about 17 percent of our families in 1965 suffered the deprivation this income level implies. Almost twice as large a percentage of American families lived in poverty in 1949. At the other end of the income scale, since 1949 the percent of families with incomes of $7,000 to $10,000 a year has about doubled, and the percent of those with incomes of $10,000 and over has about tripled. About half of our families now have incomes of $7,000 a year or more. (In making these comparisons, of course, family income has been measured in constant dollars.) So it is clear that we are moving rapidly toward the realization of what we would like to regard as "the American way of life" for more and more of our people.

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American women have made a large and growing contribution to family income progress, particularly since 1940. Since that year, the number of women in the labor force has doubled. Over 28 million women now hold jobs or are actively seeking them. Nearly half of all women between the ages of 18 and 64 are in the Nation's work force.

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You have asked me to talk briefly about women's changing work roles and especially about the contribution of working wives to family income. I am glad to have this opportunity to sketch some of the interesting highlights for you.

In the period just before World War II it was young women 18-24 years of age who were most likely to work. In 1940, nearly half in this age group were in the labor force. From this point in their lives women were less and less likely to be jobholders. By the age of 25 a large proportion had married and had begun to raise their families. Many dropped out of the labor force between the ages of 25 and 34; about 36 percent remained. In the next age group--35-44--the percentage of those in the work force declined to 29 percent. By the time a woman reached the age of 45-54 only one out of every four was in the labor force and the proportion fell still further to only 18 percent for those aged 55-64.

Since 1940 women's work-life patterns have changed dramatically. A two-phase lifetime working cycle has emerged. The likelihood that young women will work when they are 18 to 34 years of age isn't very different from what it was in 1940. It's up a little--about 10 percent. It is after the age of 35 that we see a very marked difference.

During the period 1940-1966, the number of working women aged 35-44 years more than doubled; the number aged 45 to 54 more than tripled; and the number aged 55-64 increased more than fourfold, in comparison with an increase of only about one-fourth in the number of women workers 18-34 years of age. The woman today who is most likely to be a wage earner is 45-54 years old--more than half of all women of this age are now in the labor force.

The more education a woman has, the more likely is she to work. Particularly is this true of the middle-aged woman. People always seem to find it surprising when we tell them that of all women who are aged 45 to 54 and who have had 5 or more years of higher education, over 80 percent are now in the labor

force. It is about 60 percent for college graduates in this age group and about 52 percent for those who are high school graduates or who have had some college training.

The fact that mature women now constitute the majority of working women reflects the new realities in women's lives. Women marry younger--half by the time they are 21. They bear their children when they are younger. Half have had their last child by the time they are 30. Once their children are in school, a growing number of women seek wider horizons. The lightening of household tasks has provided more time. The very rapid expansion of educational opportunity has contributed new skills and interests. About three-quarters of our girls now graduate from high school. This is three times the proportion when I finished high school. Now nearly half of our high school girl graduates go on to college.

Most important of all--twice as many women work as did in 1940 because the jobs are there. Women's contribution has been increasingly needed in a rapidly expanding economy. In the last 6 years alone we have added 6½ million people to the civilian labor force, two-thirds of whom have been women.

This more rapid increase in the number of women added to the labor force than in the number of men, has resulted because men have been more fully employed than women. Unemployment among adult men--those 20 years of age and over--is now down to less than 2½ percent. It is women who have constituted the relatively larger reservoir of underutilized skills on which we have been able to draw.

The jobs have been there and women have sought them because they have needed the money. Somewhat more than a fifth of all women in the labor force are single; they work primarily to support themselves. Another fifth are widowed, separated, or divorced, a large proportion of whom are the heads of families.

Last year some 16 million wives were in the labor force. In one out of three husband-wife families the wife brought home a paycheck. This proportion was less than one out of five just 20 years ago. It is clear that economic need was the primary factor in the decision to work. About a fifth had husbands whose annual incomes were less than $3,000 and another quarter had husbands whose incomes were between $3,000 and $5,000. The earnings of these women provided basic essentials for the family. Another one-fourth of all working wives had husbands with annual incomes of $5,000 to $7,000; they worked to bring the family living standard closer to or above levels of modest adequacy. (We now estimate that an average urban family of four needs around $7,000 a year to achieve this level of living.)

Thus it is clear that the concept that wives work for "pin money" is a myth long since exploded. Their contribution to family income has become increasingly essential as more and more of them have aspired to the better things of life. Concepts of "need" are very much in flux, it is true. Yesterday's luxuries have become today's necessities. In this context it is a relatively small proportion of working wives who report that they have sought gainful employment solely for personal fulfillment.

This is not to say that the lower the income of the husband, the more likely is the wife to work. Not quite a third of all husbands with incomes of under $3,000 have working wives. The husbands with incomes between $3,000 and $5,000 are more likely to have working wives--about 40 percent do. The ratio is about the same when the husband's income is $5,000 to $7,000. When the husband's income is between $7,000 and $10,000 the percentage of working wives falls to one out of three. When the husband's income exceeds $10,000 only about one out of five wives now work.

We have seen that husbands in the lower middle and middle income levels, in

terms of their own earnings, are the most likely to have working wives. The earnings of their wives move their families into the middle, upper middle, and even higher income brackets.

This brings us to the contribution of the wife to family income.

Almost a quarter of all working wives account for about 40 percent or more of total family income. The earnings of an additional 3 out of 10 working wives account for 20 to 40 percent of family income.

There is a striking difference between the incomes of families with working wives and those with wives not in the labor force, as might well be expected.

In families with working wives only 6 percent live in poverty--defined as a family income of less than $3,000. Nearly three times as large a proportion of all families in which the wife is not in the paid labor force experience this hardship.

Of all husband-wife families in which wives work, 28 percent are in the $3,000 to $7,000 family income bracket; the percentage is 37 percent where the wife is not in the labor force.

Of all husband-wife families with wives in the labor force, the majority--56 percent--have incomes in the comfort range of $7,000 to $15,000. Of those husband-wife families in which the wife does not work, only 39 percent enjoy this standard of living. It is this comparison which indicates so clearly that the working wife is making it possible for a large proportion of middle and upper income bracket families to achieve their privileged economic position.

Working wives make their maximum contribution in families with annual incomes of $10,000 to $15,000 a year. In such families, where both husbands and wives are earners, about half the wives account for 30 percent or more of family income. And it is among families at this income level that women are most likely to be at work; 47 percent of the wives in this family income

bracket were in the labor force last year.

Moving down the income scale to those families with incomes of $7,000 to $10,000, we find a smaller percentage of wives work--39 percent do. At this income level 41 percent of the wives account for 30 percent or more of the family income.

Below the $7,000 family income bracket, the labor force participation rates of wives continue to decline in each successive income category, as does their likelihood of contributing substantially to family income.

At the upper end of the income scale, the likelihood of a wife's working drops off in families with annual incomes of $15,000 and over, as does the percentage of family income they account for. But I would point out that among families with incomes of $15,000 to $25,000 there is a relatively high labor force participation rate for wives--44 percent of them are wage and salary earners. Above the $25,000 family income level the likelihood of a wife's working declines quite sharply to 27 percent.

While it is the wife's paycheck that is boosting many families into the middle, upper middle and upper income categories, I would emphasize nonetheless that only a relatively small proportion of wage-earning women are themselves in the higher wage and salary brackets. In 1965 only about 4½ percent earned $7,000 a year or more. While this is not an impressive proportion it represented a 76-percent increase from 1964 and it was more than twice the proportion in 1963. Clearly progress is rapidly in the making and we expect a continued marked improvement, particularly because the demand for professional and technical personnel is expected to rise faster than the demand in all other occupational fields in the years immediately ahead. There will be growing opportunities for well trained women in these higher-level jobs.

Your conference planners asked an additional question of us: "What part of the Nation's wage and salary income is accounted for by working women?" Here we can give only a very approximate estimate. Total wage and salary income last year was $392 billion. While women were 36 percent of all workers, a quarter of working women were on part-time schedules. This, in combination with the fact that women on the whole are concentrated in the lower-paying jobs, accounts for the fact that their share in wage and salary income is substantially less than their proportion in the work force. Our educated guess is that women's wage and salary earnings came to about $90 billion last year or roughly 23 percent of the total paid out.

What of the future?

As we look ahead we expect the labor force participation of women to increase. Our Labor Department experts tell us that between 1964 and 1970 the number of women workers will rise an estimated 17 percent as contrasted with an expected 9-percent increase in the number of men. This more rapid rate of entry for women than men is due, as I earlier mentioned, to the fact that women, especially those in their middle years, constitute a resource not yet fully drawn upon and to which the Nation will continue to turn to fill its growing demand for workers.

Women's share in wage and salary income can also be expected to grow. Women's relative work-role position is improving due to many factors. The rising demand for their services is primary among them. Also contributory is the impact of new legislation which is counteracting disadvantage. There is the Federal Equal Pay Act and 33 similar State laws. There is also the Civil Rights Act of 1964 which prohibits discrimination in employment on the basis of sex as well as on the basis of race, color, religion, and country of origin. Eleven of our States, as well as the District of Columbia, have enacted similar statutes --and this list will lengthen.

An important element, too, is the improved attitude of many employers toward women's employment. Old prejudices and outworn myths are gradually being dispelled.

These are among the many trends which will combine to make the contribution of the woman wage and salary earner an increasingly important force in the further improvement of American living standards.